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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/666,339	09/21/2000	Andrew V. Goldberg	7451.0030-00	7008
22852	7590	08/11/2004	EXAMINER	
FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER LLP 1300 I STREET, NW WASHINGTON, DC 20005			JASMIN, LYNDIA C	
			ART UNIT	PAPER NUMBER
			3627	

DATE MAILED: 08/11/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/666,339

Applicant(s)

GOLDBERG ET AL.

Examiner

Lynda Jasmin

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 06 April 2004.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-11 and 17-20 is/are pending in the application.
- 4a) Of the above claim(s) 12-16 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1,2,4-11 and 17-20 is/are rejected.
- 7) ☒ Claim(s) 3 is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____

DETAILED ACTION

1. Amendment received April 06, 2004 has been acknowledged.

Claim Rejections - 35 USC § 101

2. Claim 6-11 and 17-20 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim, the recited process must somehow apply, involve, use, or advance the technological arts.

In the present case, claims 6-11 and 17-20 only recite an abstract idea. The recited steps of merely selecting a first bid from a plurality of bids and selecting a first sample of bids and determining whether to distribute a copy of an electronic work does not apply, involve, use, or advance the technological arts since all of the recited steps can be performed in the mind of the user or by use of a pencil and paper. These steps

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only constitute an idea of how to distribute copies of an electronic work and select bids over a plurality of bids.

Additionally, for a claimed invention to be statutory, the claimed invention must produce a useful, concrete, and tangible result. In the present case, the claimed invention compares first or second bid with first or second threshold from a plurality of bids (i.e., repeatable) used in determining whether to distribute a copy of the electronic work to the first or the second bidder (i.e., useful and tangible).

Although the recited process produces a useful, concrete, and tangible result, since the claimed invention, as a whole, is not within the technological arts as explained above, claims 6-11 and 17-20 are deemed to be directed to non-statutory subject matter.

Claim Rejections - 35 USC § 112

3. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

4. Claim 11 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. In claim 11, the recitation "in which the threshold comprises" lacks proper antecedent basis.

Claim Rejections - 35 USC § 103

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. This application currently names joint inventors. In considering patentability of the claims under 35 U.S.C. 103(a), the examiner presumes that the subject matter of the various claims was commonly owned at the time any inventions covered therein were made absent any evidence to the contrary. Applicant is advised of the obligation under 37 CFR 1.56 to point out the inventor and invention dates of each claim that was not commonly owned at the time a later invention was made in order for the examiner to consider the applicability of 35 U.S.C. 103(c) and potential 35 U.S.C. 102(e), (f) or (g) prior art under 35 U.S.C. 103(a).

7. Claims 1, 2, 5-11, 17, 19 and 20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Brett et al. (6,023,685).

Brett et al. discloses an auctioning system including a computer system (12) for receiving a plurality of bids from a plurality of bidders (14, col. 7; lines 36-38), a memory unit for storing the bids (via 16), bid sampling logic for selecting a bid from a bidder (via step 44) and a sample of one or more bids from the plurality of bids (under the field SLIMIT via querying on participant database using the received bid as a criterion), a processor (12) for deriving a threshold from the sample of bids (maximum bid), and for using the threshold to determine whether to vend to the bidder (as illustrated in Fig 6b),

and network interface unit (via 13) communicates to the bidder in a secure manner (via allowing access to only authorized participants). Brett et al. further discloses a payment processing software (via credit card payment system). However, Brett et al fails to disclose the item for bids being copies of an electronic work. It is the Examiner's position that the type of items offer for bids does not patentably distinguish over Brett et al. since the end result is to select a winning bid. Thus, one of ordinary in the art at the time the invention made would have found it obvious to substitute the vending of event tickets of Brett et al. for the vending of an electronic work.

As per claims 6-11 and 17, 19 and 20, Brett et al. discloses the method with the steps of receiving a plurality of bids from a plurality of bidders (14, col. 7; lines 36-38) an each bid having a bid value (to determine the lowest minimum acceptable bid value), selecting a bid from the plurality of bid where the bid being submitted by a bidder and selecting a sample of bids from the plurality of bids (under the field SLIMIT via querying on participant database using the received bid as a criterion), deriving threshold form the sample of bids, and comparing the bid with the threshold (col. 7, line 60 through col. 8, line 12) and distributing the product based at least in part on the comparison step (col. 8, lines 18 and 19). Brett et al. further discloses obtaining payment from bidder (via credit card payment system). However, Brett et al fails to disclose the item to be distributed being copies of an electronic work. It is the Examiner's position that the type of items offer for bids does not patentably distinguish over Brett et al. since the end result is to select a winning bid. Thus, one of ordinary in the art at the time the invention made would have found it obvious to substitute the vending of event tickets of Brett et

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al. for the vending of an electronic work. As per selecting a first and a second bid from a plurality of bids and selecting a first and a second sample of bids from a plurality of bids, Brett et al. discloses the selection is repeated each time a change has occurred in the standing bid price.

8. Claim 4 is rejected under 35 U.S.C. 103(a) as being unpatentable over Brett et al. as applied to claim 1 above, and further in view of Ausubel (6,026,383).

Brett et al. discloses the element of the claimed invention, but fails to explicitly disclose the sample of bids is selected from the plurality of bids in a random fashion.

Ausubel discloses the concept for conducting an auction having a plurality of bid terminal and a bidding information processor, where the bid information processor uses either a deterministic or a random method to update its record of current high bid. From this teaching of Ausubel, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the event ticket auction of Brett et al. to include the random method of selected sample of bids as taught by Ausubel in order to define the highest bid and to rank bid in decreasing/increasing order of price.

Allowable Subject Matter

9. Claim 3 is objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

10. The following is a statement of reasons for the indication of allowable subject matter: the prior art made of record fails to teach a system in which copies of an

electronic work to be vended include a quantity of copies that is greater than the quantity of bids in the plurality of bids.

11. Claim 18 would be allowable if rewritten or amended to overcome the rejection(s) under 35 U.S.C. 101, set forth in this Office action.

Response to Arguments

12. Applicant's arguments with respect to claims 1-22 have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

13. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Lu et al. discloses a distributed method for allocating communication medium where end-users bid for control of an upstream data channel. For subsequent auction cycles, the remaining end-users generate auction data values randomly to bid for control of the upstream data channel.

14. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Lynda Jasmin whose telephone number is (703) 305-0465. The examiner can normally be reached on Monday- Friday (8:00-5:30) alternate Fridays off.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Robert P Olszewski can be reached on (703) 308-5183. The fax phone

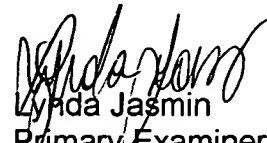
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number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR.

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 8/7/04
Lynda Jasmin
Primary Examiner
Art Unit 3627

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